

TAB H

105TH CONGRESS }
1st Session

HOUSE OF REPRESENTATIVES

{ REPORT
105-217

BALANCED BUDGET ACT OF 1997

CONFERENCE REPORT

TO ACCOMPANY

H.R. 2015



JULY 30, (legislative day of JULY 29), 1997.—Ordered to be printed

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BALANCED BUDGET ACT OF 1997

JULY 30 (legislative day, JULY 29), 1997.—Ordered to be printed

Mr. KASICH, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany H.R. 2015]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2015), to provide for reconciliation pursuant to section 104(a) of the concurrent resolution on the budget for fiscal year 1998, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Balanced Budget Act of 1997”.

SEC. 2. TABLE OF TITLES.

This Act is organized into titles as follows:

Title I—Food Stamp Provisions

Title II—Housing and Related Provisions

Title III—Communications and Spectrum Allocation Provisions

Title IV—Medicare, Medicaid, and Children’s Health Provisions

Title V—Welfare and Related Provisions

Title VI—Education and Related Provisions

Title VII—Civil Service Retirement and Related Provisions

Title VIII—Veterans and Related Provisions

Title IX—Asset Sales, User Fees, and Miscellaneous Provisions

Title X—Budget Enforcement and Process Provisions

Title XI—District of Columbia Revitalization

SEC. 4556. REIMBURSEMENT FOR DRUGS AND BIOLOGICALS.

(a) *IN GENERAL.*—Section 1842 (42 U.S.C. 1395u) is amended by inserting after subsection (n) the following new subsection:

“(o)(1) If a physician’s, supplier’s, or any other person’s bill or request for payment for services includes a charge for a drug or biological for which payment may be made under this part and the drug or biological is not paid on a cost or prospective payment basis as otherwise provided in this part, the amount payable for the drug or biological is equal to 95 percent of the average wholesale price.

“(2) If payment for a drug or biological is made to a licensed pharmacy approved to dispense drugs or biologicals under this part, the Secretary may pay a dispensing fee (less the applicable deductible and coinsurance amounts) to the pharmacy.”.

(b) *CONFORMING AMENDMENT.*—Section 1833(a)(1) (42 U.S.C. 1395l(a)(1)), as amended by sections 4315(b) and 4531(b)(1), is amended—

(1) by striking “and (R)” and inserting “(R)”; and

(2) by striking the semicolon at the end and inserting the following: “, and (S) with respect to drugs and biologicals not paid on a cost or prospective payment basis as otherwise provided in this part (other than items and services described in subparagraph (B)), the amounts paid shall be 80 percent of the lesser of the actual charge or the payment amount established in section 1842(o);”.

(c) *STUDY AND REPORT.*—The Secretary of Health and Human Services shall study the effect on the average wholesale price of drugs and biologicals of the amendments made by subsection (a) and shall report to the Committees on Ways and Means and Commerce of the House of Representatives and the Committee on Finance of the Senate the result of such study not later than July 1, 1999.

(d) *EFFECTIVE DATE.*—The amendments made by subsections (a) and (b) shall apply to drugs and biologicals furnished on or after January 1, 1998.

SEC. 4557. COVERAGE OF ORAL ANTI-NAUSEA DRUGS UNDER CHEMOTHERAPEUTIC REGIMEN.

(a) *IN GENERAL.*—Section 1861(s)(2) (42 U.S.C. 1395x(s)(2)), as amended by sections 4104 and 4105, is amended—

(1) by striking “and” at the end of subparagraph (R); and

(2) by inserting after subparagraph (S) the following new subparagraph:

“(T) an oral drug (which is approved by the Federal Food and Drug Administration) prescribed for use as an acute anti-emetic used as part of an anticancer chemotherapeutic regimen if the drug is administered by a physician (or as prescribed by a physician)—

“(i) for use immediately before, at, or within 48 hours after the time of the administration of the anticancer chemotherapeutic agent; and

“(ii) as a full replacement for the anti-emetic therapy which would otherwise be administered intravenously.”.

(b) *EFFECTIVE DATE.*—The amendments made by subsection (a) shall apply to items and services furnished on or after January 1, 1998.

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REIMBURSEMENT FOR DRUGS AND BIOLOGICALS

Sections 10614 and 4614 of House bill and 5526 of Senate amendment

CURRENT LAW

Payment for drugs is based on the lower of the estimated acquisition cost or the national average wholesale price. Payment may also be made as part of a reasonable cost or prospective payment.

HOUSE BILL

Section 10616. Specifies that in any case where payment is not made on a cost or prospective payment basis, the payment would equal 95% of the average wholesale price.

Effective Date. Applies to drugs and biologicals furnished on or after January 1, 1998.

Section 4616. Identical provision.

SENATE AMENDMENT

Similar provision except the average wholesale price would be "as specified by the Secretary".

Specifies that in 1998, the payment amount could not exceed the amount payable on May 1, 1997, and in subsequent years could not exceed the previous year's amount increased by the percentage increase in the CPI. For any other drug or biological, the annual increase for any year following the first year for which payment is made would be limited to the percentage increase in the CPI. If payment is made to a licensed pharmacy, the Secretary (as the Secretary determines appropriate) would pay a dispensing fee (less applicable deductible and insurance amounts).

Requires the Secretary to conduct studies and surveys as necessary to determine the average wholesale price (and such other prices the Secretary determines appropriate). The Secretary would report to the appropriate congressional committees within six months of enactment on the results.

Effective Date. Applies to drugs and biologicals furnished on or after January 1, 1998.

CONFERENCE AGREEMENT

The conference agreement includes the House bill with modifications. The provision would specify that if payment is made to a licensed pharmacy, the Secretary (as the Secretary determines appropriate) would pay a dispensing fee (less applicable deductible and coinsurance amounts).

The agreement would require the Secretary to study the effect of the provision on average wholesale prices and report the results of such study to the appropriate committees of Congress by July 1, 1999.